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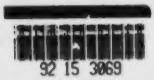

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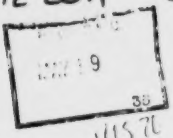

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

March 31, 1992 Quarter Ending	**0-16934** Commission File Number
BOL BANCSHARES, INC Name of Registrant	**Louisiana** State of Incorporation
72-1121561 I.R.S. Employer ID Number	**(504) 889-9400** Telephone Number
300 St. Charles Ave New Orleans, La 70130 Address of Principal Office	Microfilmed by Q-Data Corp. - St. Petersburg, FL 1988 tablished

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X **No** _____

The total number of shares of stock outstanding as of March 31, 1992 were 180,629 shares of Common stock and 2,326,788 shares of Preferred stock.

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AVAILABLE

BOL BANCSHARES, INC. & SUBSIDIARY
STATEMENT OF CONDITION
CONSOLIDATED

ASSETS

	March 31, 1992	March 31, 1991	Dec. 1991
Cash and Due from Banks			
Non-Interest Bearing Balances and Cash	$7,217,497	$6,896,023	$6,747,809
Interest Bearing Balances	15,000	10,000	15,000
Securities	5,104,105	8,235,097	10,034,266
Federal Funds Sold	13,600,000	11,100,000	6,425,000
Loans -- Less allowance for Loan Losses of $964,787-1992 & $964,357-1991	68,992,069	69,241,247	72,936,138
Property, Equipment and Leasehold Improvements (Net of Depreciation and Amortization)	2,282,460	1,831,865	2,255,735
Other Real Estate Owned	3,972,840	3,952,695	4,437,106
Investment in Subsidiary	1,205,600	987,873	1,205,600
Other Assets	1,528,113	1,313,091	1,154,815
Goodwill	0	0	0
Total Assets	$103,917,684	$103,567,896	$105,211,469

LIABILITIES & STOCKHOLDERS' EQUITY

LIABILITIES:			
Deposits			
Non-Interest Bearing	$26,021,957	$24,533,510	$26,334,451
Interest Bearing	69,269,053	70,655,058	69,948,141
Other Borrowed Money	49,526	49,526	49,526
Deferred Taxes	111,655	111,655	111,655
Notes Payable	562,416	3,944,244	539,463
Senior Secured Debentures	1,933,000	0	1,933,000
Deferred Gain on Sale of Bldg.	100,884	151,326	151,326
Other Liabilities	902,246	2,246,412	1,440,471
Total Liabilities	98,950,737	101,691,731	100,508,033
STOCKHOLDERS'EQUITY			
Common Stock	180,629	180,629	180,629
Preferred Stock	2,326,788	2,326,788	2,326,788
Surplus	0	0	0
Undivided Profits	2,196,019	(910,569)	(910,569)
Dividends Paid-Preferred	0	0	0
Excess Purch Price Acq	0	0	0
Current Earnings	263,511	279,317	3,106,588
TOTAL STOCKHOLDERS EQUITY	4,966,947	1,876,165	4,703,436
Total Liabilities and Capital	$103,917,684	$103,567,896	$105,211,469

BOL BANCSHARES, INC. & SUBSIDIARY
STATEMENT OF INCOME
CONSOLIDATED

	March 1992	March 1991
INTEREST INCOME		
Interest & Fees on Loans		
Real Estate Loans	$442,630	$471,048
Commercial Loans	147,810	201,878
Installment Loans	151,360	182,506
Credit Card and Related Plans	2,151,007	2,078,260
Interest on Time Deposits	196	654
Interest on Investment Securities		
Securities Issued by State and Political Subdivisions of the U.S.	0	0
All Other Securities	69,839	127,450
Interest on Federal Funds Sold	132,026	123,526
Total Interest Income	3,094,868	3,185,322
INTEREST EXPENSE		
Interest on Time Deposits of $100,000 or More	70,776	176,956
Interest on Other Deposits	678,104	907,044
Interest on Federal Funds Purchased	0	0
Other Interest Expense	669	1,335
Interest Expense on Notes Payable	15,683	125,447
Interest Expense on Debentures	54,170	0
Total Interest Expense	819,402	1,210,782
NET INTEREST INCOME	2,275,466	1,974,540
Provision for Loan Losses	195,000	195,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2,080,466	1,779,540
OTHER INCOME		
Service Charge on Deposit Accounts	417,571	379,470
Other Non-Interest Income - Schedule I	362,713	530,143
Total Other Income	780,284	909,613
OTHER EXPENSE		
Salaries and Employee Benefits	1,123,310	983,112
Occupancy Expense	457,856	449,788
Other Non-Interest Expenses - Schedule II	1,080,288	976,636
Total Other Expenses	2,661,454	2,409,536
Income Before Tax Provision	199,296	279,617
Provision For Taxes	(64,215)	300
Total Net Income	263,511	279,317
Earnings Per Share of Common Stock	$1.46	$1.55

BOL BANCSHARES, INC. & SUBSIDIARY CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR QUARTER ENDED MARCH 31, 1992 and 1991

	1992	1991
OPERATING ACTIVITIES		
Net Income (Loss)	$263,511	$279,317
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Provision for Loan Losses	195,000	195,000
Depreciation and Amortization Expense	59,872	67,527
Amortization of Investment Security Premiums	0	4,010
Accretion of Investment Security Premiums	(64,231)	(1,435)
(Gain) Loss on Sale of Property and Equipment	0	0
(Gain) Loss on Sale of Other Real Estate	(18,258)	(4,711)
Decrease (Increase) in Other Assets	(69,540)	111,404
(Decrease) Increase in Other Liabilities and Accrued Interest	(565,714)	(110,983)
(Decrease) Increase in Unearned Interest	(53,528)	(79,186)
Net Cash Provided by (Used in) Operating Activities	(252,888)	460,943
INVESTING ACTIVITIES		
Proceeds from Investment Securities Released At Maturity	4,994,392	500,000
Proceeds from Sale of Investment Securities	0	0
Purchases of Investment Securities	0	(2,250,000)
Proceeds from Sale of Property and Equipment	555	15
Purchases of Property and Equipment	(87,152)	(864)
Proceeds from Sale of Other Real Estate	211,000	79,678
Additions to Other Real Estate	(32,234)	(527,839)
Retirement of Goodwill	0	0
Net Increase in Credit Card Receivables and Overdrafts	4,681,929	4,992,237
Loans Originated	(3,906,424)	(2,531,720)
Principal Collected on Loans	3,026,092	4,178,231
Net Cash Provided in Investing Activities	8,889,158	4,439,738
FINANCING ACTIVITIES		
Net Increase (Decrease) in Demand Deposits, Interest Bearing Deposits, and Savings Accounts	1,868,363	174,125
Proceeds from Sale of Certificates of Deposits	599,408	2,886,895
Payments for Maturing of Certificates of Deposits	(3,459,353)	(2,511,343)
Cash Dividends	0	0
Cancellation of Stock and Adjustments	0	0
	(991,582)	549,677
Net Increase (Decrease) in Cash and Cash Equivalents	7,644,688	5,450,356
Cash and Cash Equivalents at Beginning of Year	13,187,809	12,555,670
Cash and Cash Equivalents at March 31	$20,832,497	$18,006,026

BOL BANCSHARES, INC. & SUBSIDIARY CONSOLIDATED
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

	COMMON STOCK	PREFERRED STOCK	SURPLUS	UNDIVIDED PROFITS	TOTAL
Balance December 31, 1988	181,376	2,320,265	0	469,676	2,971,317
Adjust Debt Assump. Stock	(729)	7,449	0	0	6,720
Cancellation of Stock	(18)	(926)	0	0	(944)
Net Income March 31, 1989			0	59,098	59,098
Balance - March 31, 1989	**180,629**	**2,326,788**	**0**	**528,774**	**3,036,191**
Balance December 31, 1989	180,629	2,326,788	0	(1,419,025)	1,088,392
Net Income March 31, 1990				84,641	84,641
Balance - March 31, 1990	**180,629**	**2,326,788**	**0**	**(1,334,384)**	**1,173,033**
Balance December 31, 1990	180,629	2,326,788	0	(910,569)	1,596,848
Net Income March 31, 1991				279,317	279,317
Balance - March 31, 1991	180,629	2,326,788	0	(631,252)	1,876,165
Balance December 31, 1991	180,629	2,326,788	0	2,196,019	4,703,436
Net Income March 31, 1992				263,511	263,511
Balance - March 31, 1992	180,629	2,326,788	0	2,459,530	4,966,947

BOL BANCSHARES, INC.
BALANCE SHEETS
UNCONSOLIDATED

ASSETS	March 31,	
CURRENT	1992	1991
Cash	$12,404	$52,652
Time Deposits	0	0
Total	12,404	52,652
OTHER		
Loan to Subsidiary	97,236	0
Investments	7,262,396	6,977,182
Debenture Cost Amortization	162,705	0
Other Assets	15,000	0
Total Other Assets	7,537,337	6,977,182
Total Assets	7,549,741	7,029,834
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued Interest	$87,360	$924,456
Accrued Expenses	19	19
Notes Payable	463,369	0
Senior Secured Debentures	1,933,000	0
Stock Issuance Pending	0	284,950
Total Current Liabilities	2,483,748	1,209,425
LONG TERM LIABILITIES		
Notes Payable	99,046	3,944,244
Total L-T Liabilities	99,046	3,944,244
Total Liabilities	2,582,794	5,153,669
STOCKHOLDERS EQUITY		
Common Stock-Authorized 1,000,000 Shares of $1 Par Value;Issued & Outstanding, 180,629 Shares	180,629	180,629
Preferred Stock-Authorized $3,000,000 Shares of $1.00 Par Value;Issued & Outstanding, 2,326,788	2,326,788	2,326,788
Surplus	0	0
Retained Earnings	2,196,019	(910,569)
Excess Purch Price of Acq	0	0
Current Earnings	263,511	279,317
Dividends Paid - Preferred	0	0
Total Stockholders' Equity	4,966,947	1,876,165
Total Liabilities & Equity	$7,549,741	$7,029,834

BOL BANCSHARES, INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS
UNCONSOLIDATED

	March 31,	
INCOME	1992	1991
Interest Income	$2,828	$4,076
Dividends	0	0
Gain on Extinguishment of Debt	0	0
Equity in Undistributed earning	280,538	423,998
Total Income	$283,366	$428,074
EXPENSES		
Accrued Interest Expense	68,682	124,614
Goodwill Amortization	0	0
Organization Amort	0	0
Other Expenses	15,388	23,843
Total Expense	84,070	148,457
INCOME/LOSS BEFORE INCOME TAXES	199,296	279,617
Less Applicable Taxes	(64,215)	300
NET INCOME/LOSS AFTER TAXES	$263,511	$279,317

MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF BOL BANCSHARES, INC. AND SUBSIDIARY

The following discussion and analysis presents the more significant factors affecting the financial condition at March 31, 1992 and results of operations for the periods ending March 31, 1991 and 1990. This discussion and analysis should be read in conjunction with the consolidated financial statements, notes thereto and other financial information appearing elsewhere in this report.

Liquidity

Liquidity and capital resources are discussed weekly by the management committee, the assets and liability committee and at each executive committee meeting of the Bank's officers. Bank of Louisiana has no long term debt and maintains adequate capital to meet its needs in the foreseeable future.

Federal Funds sold are used primarily for liquidity. The bank had Federal Funds sold of $13,600,000 for the quarter ended March 31, 1992, which was a 111.67% increase over fourth quarter 1991. Federal Funds for the quarter ended March 31, 1991 totaled $11,100,000. The increase in Federal Funds sold from 1991 to 1992 is attributable to a decrease in loans.

The Bank's investment securities portfolio, in addition to the earnings it generates, supplies needed liquidity. As of March 31, 1991, the Bank had $4,894,219 or 100.00% of the portfolio maturing in three months or less.

The liquidity ratio for the Bank was 28.72% at March 31, 1992, as compared to 24.62% at December 31, 1991.

The Bank's policy is to manage its liquidity through normal operations, so that there is no need to make unplanned sales of assets or to borrow funds under adverse conditions. This policy not withstanding, the Bank has also established other potential sources of funds. Management has no knowledge of any trends, events or uncertainties that would have a material effect on liquidity.

Capital Adequacy

The FDIC's regulations require that a state-chartered bank, such as the Bank of Louisiana

maintain a minimum primary capital ratio of 5.5% and a total capital ratio of 6.0%. The Bank, however, is required to maintain a primary capital ratio of 7.50% as part of the Order. See "Supervision and Regulation - Enforcement Action," as reported on Form 10-K dated December 31, 1990. The Bank's "primary capital ratio" is the sum of shareholders' equity plus the allowance for possible loan losses divided by total assets plus the allowance for possible loan losses. The Bank's primary capital ratio was 7.65% on December 31, 1991, as compared to 7.88% on March 31, 1992.

The Cease & Desist Order originally stated that by 5-15-90, the bank was to increase its primary capital by $2,550,000 or attain the ratio of 7.50% primary capital to asset ratio. However since that time the FDIC has accepted BOL's Capital Plan which reflected that by December 31, 1990 the Bank of Louisiana's primary capital to asset ratio would be approximately 7.35%. It is management's opinion that the loan loss experience of BOL, which has caused a decrease in earnings, has been effected by the depressed economic conditions of Louisiana, especially real estate. However after careful evaluation of the loan portfolio, taking into account all known problem loans, past loan loss experience, delinquency ratios and current and projected economic conditions improving, management believes that earnings will improve significantly.

The Company was the obligor on a promissory note held by the FDIC in the principal amount of $4,144,106. The FDIC acquired the Note when it closed Capital Bank and Trust Company, Baton Rouge, Louisiana. The Note was secured by a pledge of all the outstanding shares of Bank Stock. The Company, BOL Bancshares, Inc. became delinquent in the payment of principal and interest on the note as of December 31, 1990 and 1989. The amount of principal due was $50,000 in 1990 and past due interest was $844,842 in 1990 and $330,722 in 1989. Historically the bank subsidiary had upstreamed sufficient dividends to provide funds for this debt service. However, in 1989 the bank subsidiary did not have sufficient income to pay the dividends and was not allowed to pay dividends due to the stipulation in the Cease & Desist Order with regards to meeting the 7.50% primary capital to asset ratio. Management proceeded to enter into negotiations with the FDIC to restructure this debt. Consequently, on January 4, 1991, the Company entered into a Forebearance Agreement with the FDIC pursuant to which the Company paid the FDIC $210,210 and the FDIC agreed to suspend collection efforts on the Note if the Company would pay an aggregate of $2,090,000 on or before July 1, 1991. The $2,090,000 was payable in five monthly installments of $15,000 commencing February 1, 1991, with a final payment of $2,015,000 due July 1, 1991. However the Company may at any time prior to July 1, 1991, make a payment of $2,000,000 and forego the remaining $15,000 installments or ratable portions thereof.

The Company, BOL Bancshares, Inc., offered Senior Secured Debentures to obtain the $2,000,000.00 in principal needed to satisfy the terms of the Forebearance Agreement. The $15,000.00 due in monthly installments, which commenced February 1991, was obtained through advancements made by the Directors and Officers of the Bank. On March 20, 1990 a resolution was passed by the Board, whereby 100% of all Directors' fees and 10% of the salary of each officer of the Bank with the title of at least Vice President, would be advanced to BOL Bancshares, Inc. to service the interest portion. The terms of the Forebearance agreement were satisfied on July 2, 1991, and resulted in an extraordinary gain on forgiveness of debt of $2,666,527, net of income taxes of $906,619, amounting to $1,759,908.

Income tax expense in 1991 contains a charge in lieu of federal income taxes that would have been required to be paid had the company not been able to utilize an operating loss carry-forward. The tax benefit, $789,901 (4.37 per share), resulting from such utilization is

shown as an extraordinary item in 1991.

Management is confident that the steps required to continue the Company in operation will be accomplished in 1992. Management has no knowledge of any other trends, events or uncertainties that would have a material effect on capital, other than as mentioned above.

Results of Operation

Performance in 1992 Compared to 1991

As compared with the same period last year, the Bank's loan portfolio decreased from $69,241,247 in 1991 to $68,992,068. This .36% decrease is mainly due to a 13.36% decrease in real estate loans and a 20.19% decrease in personal loans. Commercial loans increased 13.36% in 1992 from 1991. Credit card loans also increased 1.53% in 1992 from 1991 The reserve for loan losses underwent no material changes. Delinquent credit card loans are charged off monthly by means of the Bank's formula. Monthly provisions to the reserve for losses were $65,000.00. The Bank's board met quarterly to discuss the reserve balance and approve additional provisions.

The Bank's Total Retail Information Management System (TRIMS) is currently installed in one retail outlet, down from 12 retail outlets in 1990. TRIMS is an accounting system for retailers which include payroll, inventory, on order, purchasing and other such operational reports. Income is generated and recognized monthly, through payments from the retailers for this service. The Bank earned $2,696 in first quarter 1992 and $2,673 in first quarter 1991.

The system's cost was fully amortized over 60 months, ending October 31, 1986, as prescribed by the FDIC. There are no other material costs associated with the TRIMS system.

Interest income decreased from $3,185,322 in 1991 to $3,094,868 or a 2.84% decrease. This decrease is mainly due to a 26.78% decrease in interest earned on commercial loans. Interest income on investment Securities also decreased 46.64%.

Total interest expense decreased 32.32% in 1992 from $1,210,782 in 1991 to $819,402 in 1992. This decrease is mainly due to a 30.92% decrease in interest paid on deposits.

Provisions for loan losses remained the same in 1991 and 1992, $195,000.

Operating revenues and expenses decreased 5.37% and 5.35%, respectively for periods ended March 31, 1992 and 1991. These changes are attributed to fluctuations in the Company's volume of business.

One of the key measures of a bank's performance is its return on assets. The major components of the Company's net income, expressed as a percent of average assets for March 31, 1991, 1990, and 1989 are shown below.

	1992	1991	1990
	(dollars in thousands)		
Average Assets	$103,281	$101,170	$101,761
Net Income	$264	$279	$85

As a Percent of Total Average Assets

	1992	1991	1990
Net interest income	2.20%	1.95%	2.18%
Provision for Loan Losses	0.19%	0.19%	0.51%
Cost of operations	1.82%	1.48%	1.59%
Provision for income tax	-0.06%	0.00%	0.00%
Net income	0.26%	0.28%	0.08%

Net Interest Income

Net interest income, the difference between interest income and interest expense, is a significant component of the performance of a banking organization. Data used in the analysis of net interest income are derived from the daily average levels of earnings assets and interest-bearing deposits as well as from the related income and expense. Net interest income is not developed on a taxable equivalent basis because the level of tax exempt income is not material. The following analysis reflects some decreases and some increases in interest income and net interest income, but largely demonstrates that the Company's performance has been fairly constant over the past three years.

	1992	1991	1990
	(dollars in thousands)		
Total interest income	$3,095	$3,185	$3,510
Average interest-earning Assets	$89,151	$87,958	$89,053
Average Rate earned	3.47%	3.62%	3.94%
Total interest expense	$819	$1,211	$1,290
Average interest-bearing liabilities	$72,442	$73,165	$72,991
Average rates paid	1.13%	1.66%	1.77%
Net interest income	$2,275	$1,975	$2,220
Net yield on average earning assets	2.55%	2.25%	2.49%
Ratio of average earning assets to total average assets	86.32%	86.94%	87.51%
Net yield on total average assets	2.20%	1.95%	2.18%

Loan Loss Allowance

The allowance for loan losses represented 1.21% of outstanding loans on December 31, 1990, compared to ratios of 1.38%, 1.37% and 1.19 % at March 31, 1992, 1991 and 1990, respectively. This ratio of the allowance for loan losses increased during the year to take into account management's evaluation of the loan portfolio in light of the current economic conditions in Louisiana.

The allowance represents the amount which, in management's judgment, will be adequate to

absorb future charge-offs of existing loans which may become uncollectible. The allowance is determined by continuous evaluation of the loan portfolio, taking into account all known problem loans, unknown inherent risks generally associated with bank lending, past loan loss experience, delinquency ratios and current and projected economic conditions.

The evaluation of the loan portfolio is conducted by an asset quality review function that is separate from the lending function at the Bank. Loans are identified where there has possibly been some deterioration of credit quality and are classified as potential problem loans and those where the credit should be monitored more closely. From this specific identification process, an evaluation is made of the appropriate level of loan loss allowance to assign to each loan. Finally an additional allowance is assigned to potential losses not specifically identified.

The loan loss experience of the Bank has been affected by the depressed economic conditions of Louisiana, especially real estate, as charge-offs have totaled .39% of average outstanding loans (approximately $208,155) for the period ending March 31, 1992 and charge-offs of .28% (approximately $201,355) for the period ending March 31, 1991 and charge-offs of .28% (approximately $609,960) for the period ending Marchr 31, 1990.

The Bank's Other Real Estate category has also been affected by the depressed economic conditions in Louisiana. This was coupled with the adverse impact the bank encountered with the merger, whereby the bank inherited over $2,500,000 in other real estate. Other Real Estate owned totaled $3,972,840 as of March 31, 1992. Other Real Estate owned as of March 31, 1991 totaled $3,952,695 as compared to $3,506,974 as of March 31, 1990. During the first quarter of 1992, $211,000 of other real estate was sold and new parcels of $46,370 were added due to foreclosing on loans which had defaulted and were in the nonaccraul staus.

The Bank's nonaccrual loans plus the other real estate ("ORE") amounted to $4,711,840 at March 31, 1992 an 13.79% decrease as compared to nonaccrual loans and ORE of $5,465,695 at March 31, 1991, which was also a decrease compared to total nonaccrual loans and ORE of $5,820,974 at March 31, 1990.

Management does not anticipate any other trends or factors which would have a material impact on future operating results, liquidity or capital resources.

Non-Performing Assets

Loans are placed on a nonaccrual status when there is uncertainty about the timely payment of principal and interest. When a loan is on nonaccrual status, interest income is no longer accrued and is only recognized when received. The loan review process ensures that all loans which meet the criteria for nonaccrual status are placed on nonaccrual. As nonacrrual loans move through the usual cycle of either collection, charge-off or foreclosure, nonaccrual loans are expected to decline.

The Bank had total non-performing loans (30 days or more past due, but still accruing interest) of $3,790,460 and $4,167,567 for the quarters ended March 31, 1992 and 1991. This decrease is attributable to the collection efforts and the charge-off of certain loans which had collateral values declining due to the depressed real estate market.

The Bank had $739,000 in total loans on non-accrual status on March 31, 1992 and

$1,513,000 on March 31, 1991.

No other potential problem loans existed at March 31, 1991 as defined under Section III-C-2 of the Industry Guide 3.

Other Income and Expense

The amount of other income and other expenses of a banking organization relate closely to the size of the total assets and deposits and the number of deposit accounts. Other income consists primarily of service charges and fees charged in connection with maintaining deposit accounts. Other income compared to average total assets was .77%, .90% and .76%, respectively, for the three periods ended in 1992.

Total other income decreased from $909,613 in 1991 down to $780,284 or a 14.22% decrease. The major components of this group are service charges on deposit accounts and other non-interest income. Service charges on deposit accounts increased 10.04% in 1992 and other non-interest income decreased 31.58%.

The other expense category represents the cost of operating the banking organization. These expenses compared to average total assets were 2.36%, 2.38% and 2.58%, respectively, for the three periods ended in 1992.

Performance in 1991 Compared to 1990

As compared with the same period last year, the Bank's loan portfolio decreased from $77,809,328 in 1990 to $69,241,247 in 1991. This 1.10% decrease is mainly due to a 18.66% decrease in commercial loans and a 14.76% decrease in personal loans. Real estate loans decreased 13.66% in 1991 from 1990. Credit card loans also decreased 6.97% in 1991 from 1990. The reserve for loan losses underwent no material changes. Delinquent credit card loans are charged off monthly by means of the Bank's formula. Monthly provisions to the reserve for losses were $65,000.00. The Bank's board met quarterly to discuss the reserve balance and approve additional provisions.

The Bank's Total Retail Information Management System (TRIMS) is currently installed in one retail outlet, down from 12 retail outlets in 1990. TRIMS is an accounting system for retailers which include payroll, inventory, on order, purchasing and other such operational reports. Income is generated and recognized monthly, through payments from the retailers for this service. The Bank earned $2,673 in first quarter 1991 and $5,367 in first quarter 1990. This decrease in income is attributable to retail merchants going out of business, closing 5 outlets total.

The system's cost was fully amortized over 60 months, ending October 31, 1986, as prescribed by the FDIC. There are no other material costs associated with the TRIMS system.

Interest income decreased from $3,509,894 in 1990 to $3,189,398 in 1991 or a 9.13% decrease. This decrease is mainly due to a 21.90% decrease in interest earned on real estate loans. Interest income on Federal Funds Sold increased 4.00%.

Total interest expense decreased 5.85% in 1991 from $1,290,353 in 1990 to $1,214,858 in 1991. This increase is mainly due to a 6.40% decrease in interest paid on deposits.

Provisions for loan losses decreased 62.59% from $521,225 in 1990 down to $195,000 in 1991.

Operating revenues and expenses decreased 4.58% and 9.29%, respectively for periods ended March 31, 1991 and 1990. These changes are attributed to fluctuations in the Company's volume of business.

BOL BANCSHARES, INC. & SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS OF THE COMPANY

The Company was organized as a Louisiana corporation on May 7, 1981 for the purpose of becoming a registered bank holding company under the Bank Holding Company Act. The Company was inactive until April 29, 1988 when it acquired Bank of Louisiana, BOS Bancshares, Inc. and its wholly owned subsidiary, Bank of the South, and Fidelity Bank and Trust Company of Slidell, Inc., and its wholly owned subsidiary, Fidelity Land Co. in a business reorganization of entities under common control in a manner similar to a pooling of interest. The acquired companies are engaged in the banking industry. The acquired companies became a wholly owned subsidiary of the Company through the exchange of 2,320,542 shares of preferred stock, 181,381 shares of common stock, assumed debt of $2,873,624 and cash consideration of $1,328,370 for all of the outstanding stock of the acquired companies.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Bank of Louisiana. In consolidation, significant inter-company accounts, transactions, and profits have been eliminated.

INVESTMENT SECURITIES

Investment securities are stated at cost, adjusted for amortization of premiums and accretion of discounts. Gains and losses, if any, are recognized when securities are sold using the specific identification method. The Bank does not maintain any trading account securities.

LOANS AND UNEARNED INCOME

Loans are stated at the amount of unpaid principal, reduced by unearned discount and an allowance for loan losses. Unearned discount on installment loans is recognized as income over the term of the loan on the interest method. Interest on other loans is calculated and credited to operations on a simple interest basis. Loans are charged against the allowance for loan losses when management believes that collectibility of the principal is unlikely. Loan origination fees and certain direct origination costs, when material, are capitalized and recognized as an adjustment of the yield on the related loan.

ALLOWANCE FOR LOAN LOSSES

The allowance for loan losses is established through a provision for loan losses charged to expenses. Loans are charged against the allowance for loan losses when management believes that the collectibility of the principal is unlikely. The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluation of the collectibility of loans and prior loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, and current economic conditions that may affect the borrowers' ability to pay. Accrual of interest is discontinued and accrued interest is charged off on a loan when management believes, after considering economic and business conditions and collection efforts, that the borrowers' financial condition is such that collection of interest is doubtful.

BOL BANCSHARES, INC. & SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Buildings, office equipment and leasehold improvements are stated at cost, less accumulated depreciation and amortization computed principally on the straight-line and modified accelerated cost recovery methods over the estimated useful lives of the assets.

INCOME TAXES

The Company and its consolidated subsidiary file a consolidated federal income tax return. Federal income taxes are allocated between the companies, in accordance with a written agreement.

MEMBERSHIP FEES

Membership fees are collected in the month of May and amortized over a twelve-month period using the straight-line method.

CASH AND DUE FROM BANKS

The Company considers all amounts Due from Banks and Federal Funds Sold to be cash equivalents.

The Bank is required to maintain non-interest bearing reserve balances with the Federal Reserve Bank to fulfill its reserve requirements. The average amount of the reserve balance was approximately $1,043,615 and $1,517,192 for the years ended December 31, 1991 and 1990 respectively.

NOTE B

OTHER REAL ESTATE OWNED

The Subsidiary Bank has acquired various parcels of real estate in connection with the default and foreclosure on certain loans. These properties are recorded on the Subsidiary Bank's records at the lower of the loan balance or appraised value.

The net cost of operation of Other Real Estate totaled $84,805 at March 31, 1992 and $39,629 at March 31, 1991.

NOTE C

LOANS

Major classifications of loans are as follows:

	March 31, 1992	March 31, 1991
Real Estate Mortgages	19,126,131	19,702,699
Commercial	6,450,656	5,690,563
Personal	5,283,087	6,619,659
Credit Cards	39,423,896	38,830,097
Overdrafts	276,987	145,990
Unearned Discounts	603,932	783,404
Allowance for Loan Losses	964,757	964,357
	68,992,068	69,241,247

The following is a classification of loans by rate and maturity: (Dollar amounts in thousands)

	March 31, 1992	March 31, 1991
Fixed Rate Loans:		
Maturing in 3 Months or Less	5,489	4,119
Maturing between 3 and 12 Months	47,083	43,877
Maturing between 1 and 5 Years	4,963	6,282
Maturing after 5 Years	462	411
	57,997	54,689
Variable Rate Loans:		
Maturing Quarterly or More Frequently	11,825	14,786
Non Accrual Loans	739	1,513
	70,561	
Less: Unearned Discount	604	783
Less: Allowance for Loan Losses	965	964
Net Loans	68,992	69,241

NOTE D

NON-PERFORMING ASSETS

Non-performing assets include real estate acquired through foreclosure or deed taken in lieu of foreclosure. These assets are included on the balance sheet under the account caption, "Other Real Estate", and amount to $3,972,840 at March 31, 1992 and $3,952,695 at March 31, 1991.

Other non-performing assets include repossessed vehicles also acquired through foreclosure. Repossessions totaled $5,601 at March 31, 1992 and $5,526 at March 31, 1991.

Loans are placed on non-accrual status when, in management's opinion, the collection of additional interest is questionable. Thereafter no interest is taken into income unless received in cash or until such time as the borrower demonstrates the ability to pay principal and interest.

At December 31, 1991, $903,672 of loans were in the non-accrual status and $94,601 of interest was foregone. At December 31, 1990, $2,114,300 of loans were in the non-accrual status and $172,229 of interest was foregone.

Renegotiated loans are those commercial loans on which the rate of interest has been reduced as a result of the inability of the borrower to meet the original terms of the loan. Renegotiated loans totaled $379,873 in 1991 and $538,833 in 1990.

Foregone interest income on renegotiated loans was as follows:

	1991	1990
Interest Income That Would Have Been Accrued at Original Contractual Rates	$ 63,214	$ 27,241
Amount Recognized as Interest Income	57,424	8,172
Foregone Revenue	$ 5,790	$ 19,069

NOTE E
INCOME TAXES

The components of income tax expense are:

	1991	1990	1989
Current:			
Federal	$ 238,756	$ 60,701	$ (419,508)
Investment Tax Credit	-	(60,701)	-
Deferred	-	(184,306)	-
Total Income Tax Provision (Benefit)	$ 238,756	$ (184,306)	$ (419,508)

A reconciliation of income tax at the statutory rate to income tax expense at the Company's effective rate is as follows:

	1991	1990	1989
Computed Tax at the Expected Statutory Rate	$ 270,482	$ 30,242	$ (499,526)
Investment Credit	(67,060)	(60,701)	-
Tax-Exempt Income - Federal Tax Refunds	-	-	(142,633)
Other Adjustments	(22,939)	30,459	222,651
Excess Book Provision for Loan Losses	58,273	(184,306)	-
Income Tax Expense for Operations	$ 238,756	$ (184,306)	$ (419,508)

Income Taxes Currently Payable:	
Income Tax Expense for Operations	238,756
Adjustment from Prior Year	(600)
Income Tax Expense on Extraordinary Item (Debt Discharge)	906,619
Utilization of NOL Carryforward	(789,901)
Tax Payable for Unconsolidated Subsidiary	123,228
Income Tax Currently Payable	$ 478,102

Certain income and expense items are accounted for differently for financial reporting purposes than for income tax purposes. Provisions for deferred taxes are made in recognition of these timing differences. The principal differences are the method of computing the provision to the allowance for loan losses, recognition of the gain on the sale of a building and depreciation and amortization on property, equipment and leasehold improvements.

The Company accounts for deferred income taxes under Accounting Principles Board Opinion Number 11, as amended.

During 1990, the Company reduced its estimate of deferred taxes to reflect current information on timing differences remaining. This change had an effect of increasing income by $184,306 ($1.03 per share).

NOTE F
ALLOWANCE FOR LOAN LOSSES

Changes in the allowance for loan losses were as follows:

	For The Quarter ended March 31,		
	1992	1991	1990
Balance - January 1	$ 933,734	$ 933,734	$ 933,734
Provision Charged to Operations	195,000	195,000	521,225
Loans Charged Off	(208,155)	(201,355)	(608,960)
Recoveries	44,178	36,978	87,735
Balance - December 31	$ 964,757	$ 964,357	$ 933,734

NOTE G
STOCKHOLDERS' EQUITY

PREFERRED STOCK

8%, non-cumulative, non-participating, non-convertible, par value $1; 3,000,000 shares authorized, 2,326,788 shares issued and outstanding in 1991 and 1990. Preferred stock ranks prior to common stock as to dividends and liquidation.

COMMON STOCK

Par value $1; 1,000,000 shares authorized, 180,629 shares issued and outstanding in 1991 and 1990.

NOTE H
EARNINGS (LOSS) PER SHARE

Earnings (loss) per share are computed using the weighted average number of shares outstanding which was 180,629 in 1991, 1990 and 1989. Because preferred stock is non-cumulative, and dividends have not been declared, no provision for dividends has been made for the years ended December 31, 1991, 1990 and 1989.

NOTE I

RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Subsidiary Bank makes loans to its directors, officers and principal holders of equity securities. These loans are made on substantially the same terms including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons. An analysis of loans made to directors, officers, and principal holders of equity securities, including companies in which they have a significant ownership interest, is as follows:

	1991	1990
Balance - January 1	$2,324,176	$3,503,968
New Loans Made and Renewals	264,614	72,938
Repayments and Maturities	(189,599)	(332,529)
Other - Persons No Longer Directors	-	(920,201)
Other	(58,500)	-
Balance - December 31	$2,340,691	$2,324,176

Of the loans to officers, directors and principal holders of equity securities at December 31, 1991 and 1990, $70,225 of this amount is included in non-accrual loans.

The Subsidiary Bank leases office space from Severn South Partnership and Tammany Mall Partnership. The general partners of these Partnerships are majority shareholders in BOL BANCSHARES, INC. Rent paid to Severn South Partnership for the years ended December 31, 1991, 1990 and 1989 totaled $412,380, $412,380, and $423,060 respectively. Rents paid to Tammany Mall Partnership for the years ended December 31, 1991, 1990 and 1989 were $74,400, $74,400 and $74,400, respectively.

At December 31, 1991 and 1990 amounts due to officers and directors of the Company totaled $447,728 and $243,613. These amounts which are included in Other Liabilities in the accompanying balance sheets, are payable on demand and bear interest at 10% per annum. Of the debentures payable at December 31, 1991, $68,000 were to officers and directors of the company (see Note o). Notes payable to Directors totaled $99,550 at December 31, 1991 and are also disclosed in Note o.

NOTE J

LEASES

The Subsidiary Bank leases three offices, two of which are with related parties discussed in Note J, under agreements expiring in various years through December 31, 2003. In addition, the Subsidiary Bank rents offices on a month-to-month basis from non-related groups. Various pieces of data processing equipment are also leased.

The total minimum rental commitment at December 31, 1991, under the leases is $2,173,619 which is due as follows:

December 31,	
1992	$ 549,412
1993	550,228
1994	276,792
1995	140,320
1996	105,920
Subsequent to 1996	550,947
	$2,173,619

For the years ended December 31, 1991, 1990, and 1989, $854,404, $848,891 and $839,923 was charged to rent expense, respectively.

The Subsidiary Bank is the lessor of office space under operating leases expiring in various years through 2003.

Minimum future rentals to be received on non-cancelable leases as of December 31, 1991 for each of the next 5 years and in the aggregate are:

December 31,	
1992	$ 68,094
1993	59,196
1994	58,185
1995	48,672
1996	41,672
Subsequent to 1996	205,789
	$481,608

NOTE K

INVESTMENT SECURITIES

Carrying amounts and approximate market values of investment securities are summarize as follows:

	Carrying Amount	Unrealized Gains	Unrealized Losses	Approximate Market Value
March 31, 1992:				
U.S. Treasury Securities	$4,984,219	$0	$1,519	$4,982,700
Goverment Agencies	-	-	-	-
Other Securities	119,886	17,589	-	137,475
	$5,104,105	$17,589	$1,519	$5,120,175
March 31, 1991:				
U.S. Treasury Securities	$7,615,562	$24,906	$31,712	$7,608,756
Goverment Agencies	499,649	2,069	-	501,718
Other Securities	119,886	12,624	-	132,510
	$8,235,097	$39,599	$31,712	$8,242,984

Securities of $1,071,607 and $1,413,265 at March 31, 1992 at March 31, 1991 were pledged t fund deposits.

According to industry practice, as long as a bank has both the ability and the intent to hold the securities on a long-term basis, banks do not customarily provide for unrealized declines in their

Note L

INVESTMENT IN COMMON STOCK

Included in investment securities is $50,000 representing the Subsidiary Bank's investment in common stock of First American Bank of Tangipahoa. Also included in investment securities is $ representing the Subsidiary Bank's investment in 3.4% of the common stock of Mississippi River investments are carried at cost.

NOTE M

LETTERS OF CREDIT

Outstanding letters of credit were $173,960 and $170,060 as of March 31, 1992 and 1991 respectively.

NOTE N

PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	March 31, 1992	March 31, 1991
Furniture and Equipment	$ 1,822,430	$ 1,651,170
Bank Owned Vehicles	42,588	42,588
Leasehold Improvements	435,962	332,069
Land	468,425	400,000
Buildings	1,366,298	1,000,000
Accumulated Depreciation and Amortization	(1,853,244)	(1,593,962)
	$ 2,282,459	$ 1,831,865

Depreciation and amortization expense aggregated

NOTE O

NOTES PAYABLE

The following is a summary of notes payable of December 31, 1991 and 1990:

	December 31, 1991	December 31, 1990
Notes payable to FDIC, interest payable semi-annually at 1% above the prime rate, secured by 100% of the issued and outstanding shares in Subsidiary Bank. Partially discharged and refinanced through debentures in 1991 (Note Q).	-	$4,144,064
Notes payable to bank, due November, 1992, plus interest at 1% above the prime rate, secured by 2500 shares of First American Bank of Tangipahoa stock.	49,526	50,000
Notes payable to Officers and Directors of Subsidiary Bank, payable on demand, interest at 10%.	407,354	-

NOTE 0
NOTES PAYABLE (Continued)

	December 31, 1991	December 31, 1990
Notes payable to Director, interest at 13.5%, maturing September 30, 2006, monthly payments of $1,298.	$ 99,550	$ -
Notes payable to bank, due November, 1992, plus interest at 1% above the prime rate, secured by 662 shares of the Subsidiary Bank's stock.	32,559	-
Debentures payable, due July, September, and November 1994, interest at 11.25%, callable at 103% and 102% of face value in 1993 and 1994 respectively, interest payable semi-annually, each $500 debenture secured by 23.83 shares of the Subsidiary Bank's stock.	1,933,000	-
	$2,521,989	$4,194,064

Following are maturities of long-term debt:

1992	$ 491,728
1993	2,618
1994	1,935,994
1995	3,424
1996	3,916
Subsequent to 1996	84,309
	$2,521,989

NOTE 6

NOTE PAYABLE (Continued)

The following is a summary of notes payable as of March 31, 1992:

Notes payable to bank, due November, 1992, plus interest at 1% above the prime rate, secured by 2500 shares of First American Bank of Tangipahoa stock.	49,526
Notes payable of Officers and Directors of Subsidiary Bank, payable on demand, interest at 10%.	430,811
Notes payable to Director, interest at 13.5% maturing September 30, 2006, monthly payments of $1,298.	99,046
Notes payable to bank, due November, 1992, plus interest at 1% above the prime rate, secured by 662 shares of the Subsidiary Bank's stock.	32,559
Debentures payable, due July, September, and November 1994, interest at 11.25%, callable at 103% and 102% of face value in 1993 and 1994 respectively, interest payable semi-annually, each $500 debenture secured by 23.83 shares of the Subsidiary Bank's stock.	1,933,000
Total Notes Payable	2,544,942

BOL BANCSHARES, INC. & SUBSIDIARY

STATEMENT OF INCOME
CONSOLIDATED

SUPPLEMENTARY INFORMATION

SCHEDULE I
OTHER NON-INTEREST INCOME

	March 31		
	1992	1991	1990
Cardholder Income	$169,600	$192,471	$208,747
Items Processing Income	1,885	1,803	1,763
Data Processing Income	3,913	6,469	9,505
TRIMS	2,696	2,673	5,367
Other Income	23,801	193,142	22,344
ORE Income	51,322	22,355	18,106
Other Charge Card Income	9,845	11,125	14,161
Other Serv. Chg. Comm & Fees	48,998	49,525	62,449
Service Charges Carpenters	212	138	266
Gain on Sale of Building	50,442	50,442	50,442
	$362,714	$530,143	$393,150

SCHEDULE II
OTHER NON-INTEREST EXPENSE

	1992	1991	1990
Loan and Charge Card Exp.	$220,733	$201,066	$227,869
ORE Expense	136,128	127,825	64,960
Stationery, Forms & Supplies	108,305	84,220	119,174
Communications	225,092	174,861	171,461
Professional Fees	115,356	141,477	166,579
Other Operations Expenses	79,377	89,131	52,173
Public Relations & Entertainment	31,536	33,390	39,187
Other Insurance & Assessment	69,746	74,452	36,003
Advertising	74,475	31,832	17,802
Other Taxes	4,540	2,149	11,977
Losses - Checks and Other	2,902	12,600	2,711
Cash Over and Short	2,710	3,633	4,055
	$1,064,900	$976,636	$913,951

BANK OF LOUISIANA
STATEMENT OF CONDITION

UNCONSOLIDATED

ASSETS	March 31, 1992	1991
Cash and Due from Banks		
Non-Interest Bearing Balances and Cash	$7,217,497	$6,896,028
Interest Bearing Balances	15,000	10,000
Securities	5,104,105	8,235,097
Federal Funds Sold	13,600,000	11,100,000
Loans - Less allowance for Loan Losses of $964,757-1992 & $964,357-1991	68,992,068	69,241,247
Property, Equipment and Leasehold Improvements (Net of Depreciation and Amortization)	2,282,460	1,831,865
Other Real Estate Owned	3,972,840	3,952,795
Other Assets	1,350,487	1,313,092
Investment in Subsidiary	1,205,600	987,873
Total Assets	$103,740,057	$103,567,897

LIABILITIES & STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits		
Non-Interest Bearing	$26,034,361	$24,566,102
Interest Bearing	69,269,053	70,655,058
Other Borrowed Money	49,526	49,526
Debentures	0	0
Deferred Taxes	111,655	111,655
Notes Payable	97,314	0
Deferred Gain on Sale of Bldg.	100,884	151,326
Other Liabilities	814,868	1,036,988
Total Liabilities	96,477,661	96,590,715
STOCKHOLDERS' EQUITY		
Common Stock	1,430,000	1,430,000
Preferred Stock	0	0
Surplus	4,616,796	3,961,796
Undivided Profits	935,062	1,161,388
Dividends Paid	0	0
Current Earnings	280,538	423,998
TOTAL STOCKHOLDERS EQUITY	7,262,396	6,977,182
Total Liabilities and Capital	$103,740,057	$103,567,897

BANK OF LOUISIANA
STATEMENT OF INCOME
UNCONSOLIDATED

	March 31,	
	1992	1991
INTEREST INCOME		
Interest & Fees on Loans		
Real Estate Loans	$442,630	$471,048
Commercial Loans	147,810	201,878
Installment Loans	151,360	182,506
Credit Card and Related Plans	2,151,007	2,078,260
Interest on Time Deposits	196	654
Securities Issued by State and Political Subdivisions of the U.S.	0	0
All Other Securities	69,839	127,450
Interest on Federal Funds Sold	132,026	123,526
Total Interest Income	3,094,868	3,185,322
INTEREST EXPENSE		
Interest on Time Deposits of $100,000 or More	70,776	176,956
Interest on Other Deposits	678,104	911,120
Interest on Federal Funds Purchased	0	0
Other Interest Expense	4,669	2,168
Interest Expense Debentures	0	0
Total Interest Expense	753,549	1,090,244
NET INTEREST INCOME	2,341,319	2,095,078
Provision for Loan Losses	195,000	195,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2,146,319	1,900,078
OTHER INCOME		
Service Charge on Deposit Accounts	417,571	379,470
Other Non-Interest Income	362,713	530,143
Gain on Extinguishment of Debt	0	0
Total Other Income	780,284	909,613
OTHER EXPENSE		
Salaries and Employee Benefits	1,123,310	983,112
Occupancy Expense	457,855	449,788
Other Non-Interest Expenses	1,064,900	952,793
Goodwill and Organizational Amortization	0	0
Total Other Expenses	2,646,065	2,385,693
Capital Gains	0	0
Income Before Tax Provision	280,538	423,998
Provision For Taxes	0	0
Total Net Income	$280,538	$423,998
Earnings Per Share of Common Stock	$1.96	$2.97

BANK OF LOUISIANA
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY
UNCONSOLIDATED

	COMMON STOCK	SURPLUS	UNDIVIDED PROFITS	TOTAL
Balance - Dec. 31, 1988	1,430,000	3,961,796	1,770,069	7,161,865
Cash Dividends Declared for the Year			(178,750)	(178,750)
Net Loss for the Year 1989			(962,647)	(962,647)
Balance - Dec. 31, 1989	1,430,000	3,961,796	628,672	6,020,468
Net Income - March 31, 1990			210,360	210,360
Cash Dividends Declared			0	0
Balance March 31, 1990	1,430,000	3,961,796	839,032	6,230,828
Balance - Dec. 31, 1990	1,430,000	3,961,796	1,161,388	6,553,184
Net Income - March 31, 1991			423,998	423,998
Cash Dividends Declared			0	0
Balance March 31, 1991	1,430,000	3,961,796	1,585,386	6,977,182
Balance - Dec. 31, 1991	1,430,000	4,616,796	935,062	6,981,858
Net Income - March 31, 1992			280,538	280,538
Cash Dividends Declared			0	0
Balance March 31, 1992	1,430,000	4,616,796	1,215,600	7,262,396

Signatures

Under the requirements of the Securities Exchange Act of 1934, the Bank of Louisiand and BOL Bancshares, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOL BANCSHARES, INC

BANK OF LOUISIANA

5-12-98
Date

Duly Authorized Officer

G. Harrison Scott
Chairman of the Board

In the opinion of Management, the financial information furnished reflect all disclosures necessary to present fairly the financial position of the Bank of Louisiana and BOL Bancshares, Inc. as of March 31, 1992.

5-12-92
Date

Duly Authorized Officer

G. Harrison Scott
Chairman of the Board

STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST Dated January 15, 1990
FDIC - 89-191b

On the fifteenth day of the last month in each quarter, beginning with March 15, 1990 Bank of Louisiana is to furnish written progress reports to the Regional Director and the Commissioner detailing the form and manner of any actions taken to comply with the Cease and Desist Order.

Ordered that Bank of Louisiana cease & desist from the following

A. Engaging in hazardous lending and lax collection practices
B. Operating with inadequate primary capital
C. Operating with a large volume of poor quality loans
D. Operating with an inadequate loan valuation reserve
E. Operating with inadequate provisions for liquidity
F. Operating in such a manner as to produce low earnings
G. Operating in violation of section 23A of the Federal Reserve (Banking Affiliates Act of 1982)
H. Operating with management whose policies and practices are detrimental to the bank & jeopardize the safety of its deposits
I. Operating with a board of directors which has failed to provide adequate supervision over & direction to the active management of the bank

The bank shall accomplish the following by the date stated to the left of each plan and/or objective.

MARCH 1992 PROGRESS REPORT

DUE DATE &	DESCRIPTION OF PLAN OR OBJECTIVE as stated in the prior paragraph.	OFFICER LIABLE	PLAN/ OBJECTIVE ATTAINED	ACTION TAKEN
6. 1/15/90 Pg 13	The bank shall not extend credit to any borrower where the outstanding debt to that borrower would exceed $50,000 unsecured and/or $100,000 secured unless the extension receives prior board approval and recorded as outlined in the previous paragragh.	Scott	Yes	The loan supervisor & the auditor has the authority to check the minutes to ascertain the proper approval & documentation
7. 1/25/90 Pg 10	The bank shall eliminate from its books by charge-off or collection, all assets classified as loss and one-half of the assets classified as doubtful as of the June 16, 1989 exam.	Scott	Yes	With the exception of the Mirranne loan,which is current chargeoffs have been completed as per exam of 6/16/90.Due to litigation Occhis was chrgd off 5/90
8. 2/14/90 Pg 6	The board of directors shall establish a committee of at 2/3 independent outside directors with the responsibility to ensure that the bank complies with the Order. The committee shall report monthly to the board and a copy of the report & any discussions shall be recorded in the minutes.	Scott	Yes	The Audit & Finance Committee has been designated
9. 2/14/90 Pg 13 14	The board shall establish an internal loan review and grading system to periodically review the bank's loan portfolio and identify and categorize problem credits. The system shall provide the following:	Scott		
	A. Identify the overall quality of the loan	"	Yes	Delinquent & non-accrual rep is used
	B. The identification and amount of each delinquent loan	"	Yes	Delinquent & non-accrual rep is used
	C. An identification or grouping of loans that warrant the special attention of management	"	Yes	All Loans (See G. Scott's Memo)

DUE DATE &	DESCRIPTION OF PLAN OR OBJECTIVE	OFFICER LIABLE	PLAN/ OBJECTIVE ATTAINED	ACTION TAKEN
9.	D. For each loan identified, a stmt of the amount and reasons why the loan merits special attention	Scott	Yes	Delinquent & non-accrual rep is used
	E. Credit and collateral documentation exceptions	Scott	Yes	The internal auditor reviews & documents; report submitted to Audit & Fin
	F. The identification & status of each violation of law, rule or regulation	Scott	Yes	The internal auditor reviews & documents; report submitted to Audit & Fin
	G. Loans not in conformance with the bank's lending policy and exceptions to the bank's lending policy	Scott	Yes	Exceptions are notated on notes
	H. Insider loan transactions	Scott	Yes	All are reviewed by Bd. Auditor reviews all notations
	I. A mechanism for reporting periodically to the board on the status of each loan identified & the action taken by mgmt	Scott	Yes	Documentation via memorandums are retained in file & presented to the board
	A copy of the above reports must be submitted to the board, as well well as documentation of the action taken to collect or strengthen problem credits shall be kept with the minutes.			
10. 2/14/90 Pg 14	The bank shall establish and thereafter maintain an adequate reserve for loan losses. The board shall review the adequacy of the reserves each quarter and minutes shall be recorded indicating results of the	Scott	Yes	The Board reviews and replenishes quarterly.

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	review, the amount of the increase, and the basis for determination of the amount provided.			
11. 2/14/90 Pg 15	The bank shall review the Call Reports and amend them to reflect the elimination of all assets classified loss and 1/2 of the doubtful assets.	Schaefer	N/A	All chrg offs completed with the exception N/A of Occhi's in which the Bk had 120 days Chargeoff occurred 5-90.
12. 3/16/90 Ex Pg 15 Policy	The bank shall develope, adopt & implement a written plan to control overhead and other expenses & restore profitability. This plan must be acceptable to the Regional director as determined at subsequent examinations or visitations.	Schaefer	Yes	Plan developed & adopted Financial performance is reviewed monthly dictating the need for review & amendments.
13. 3/16/90 Pg 15 &	The bank shall eliminate the following violations:			
Exam Pgs 6b	A. Any unsecured loans to the holding company	Schaefer	Yes	Original violation reversed 8-1-89 However with LSR&H's restatement of the Merger in 1988, the Parent Co. was indebted to the Sub $113m due to taxes. At YE 1990 $68m in tax was upstreamed to the Holding Co. reducing the debt to $45m, which was paid on 3-12-91; Parent Ck #1097
6b1 6b2	B. Extension of credit to executive officers, directors, or principal shareholders without prior approval of the majority of the board.	Scott Comiskey	Yes	Line of Credit or O.D. Protection implemented

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13.	C. Other Real Estate appraisals which are not current	Scott	No	appraisals are past due in the over $50m category.
	D. Blanket bond coverage has not been obtained	Comiskey	Yes	$1,000mm coverage secured with Frank B. Hall Ins. for 1 year. $50M Deductible has been accrued.
	E. Operating with a primary capital to asset ratio which was less than 5.5% after deducting classified assets.	Scott Comiskey	Yes	As of 3-31-92 7.88% based on avg assets. Tier 1 - 9.56% + Tier 2 = 10.81%
14. 3/16/90 Ex Pg 16 Policy	The bank shall formulate and adopt a written liquidity and funds management policy which shall include the following:			
	A. Establishment of acceptable ranges of ratios in volatile liability dependence, total loans to total deposits, and temporary investments to volatile liabilities.	Schaefer	Yes	Policy & Procedure written and adopted
	B. Designate acceptable levels for volatile liabilities, including borrowings; asset mix,including temporary funds and investments, long term investment securities and classes of obligors, and loans to deposits; and rate sensitive assets as a percent of rate sensitive liabilities.	Schaefer	Yes	Policy & Procedure written and adopted
	The policy shall be submitted to the Regional Director and Commissioner for review and comment.			
15. 3/16/90 Ex Pg 16 Policy	The bank shall develope, adopt and implement a written policy which shall govern the relationship between the bank & the holding co. limiting fees and funds paid to the holding company on behalf of the bank.	Scott	Yes	Resolution adopted Plan has been incorporated in Exec Policy FDIC has accepted policy.
16. 3/16/90	Develope a written Management Policy which	Scott	Yes	Senior Mgmt Evaluations

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Ex Pg 5 P 6	incorporates the following:			accomplished & forwarded to FDIC
	A. The number and type of positions needed to properly manage the bank.	Scott	Yes	The number & type have been incorporated into the Mgmt Policy
	B. A clear & concise description of the needed experience and pay for each job	Scott	Yes	Descriptions of key positions have been incorporated in Mgmt Poli
	C. An evaluation of present management	Scott	Yes	Each Mgr is evaluated through various reports & goals
16. Executive Policy	D. A plan to recruit, hire or replace personnel with requisite ability and experience	Scott Comiskey	Yes	Plan has been incorporated in the Executive Policy
	E. A periodic evaluation of each individual's job performance	Scott	Yes	Constant review of goals & reports for each job is monitored.
	F. The establishment of procedures to periodically review and update the Management Policy	Scott	Yes	Procedure incorporated in Mgmt Policy
	The management policy and any revisions shall be submitted to the Regional director and the Commissioner for review and comment. Within 30 days the policy shall be approved by the board of directors.			
17. 3/16/90 Ex Pg 13 Policy	The bank shall revise, adopt & implement written lending and collection policies to provide effective guidance and control over the bank's lending function. The policy shall include specific guidelines for placing loans on a nonaccrual basis. The bank shall also obtain adequate and current documentation for all loans. These policies shall be submitted to the Regional Director and the Commissioner for review and comment.	Scott Comm/Lns Machado I/L & Credit cards	Yes	Policy & Procedures are incorporate in the Executive Policy Manual.
18. 4/15/90 Pg 10	The bank shall have reduced the assets classified substandard and doubtful to not	Scott	Yes	As of 4/30/90 Non-Performing loans, including OREO,

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	more than $9,000,000.			Repos. & Invest in Sub totaled $7,215,000
19. 5/15/90 Pg 7	The bank shall increase its primary capital by no less than $2,550,000 and shall maintain adjusted primary capital equal to or greater than 7.5%.	Scott Comiskey	Yes	$655m in dividends were declared & upstrmd to Parent to payoff the FDIC under the Forebearance Agrmt. $251m has been booked to the surplus acct fr the Parent. bal of $404m will be bkkd replenishing capital through Debenture sales. Current Ratio as of 3-31-92 based on avg assets 7.88 % RISK BASE: Tier 1-9.56% + Tier 2 = 10.81%
20. 7/14/90 Pg 10	The bank shall have reduced the assets classified substandard and doubtful to not more than $8,250,000.	Scott	Yes	As of 6/30/90 Classified assets as per the Exam 6/89 totaled $7,265m.
21. 10/12/90 Pg 10 11	The bank shall have reduced the assets classified substandard and doubtful to not more than $7,500,000.	Scott	Yes	As of 9/30/90 Classified assets as per the Exam of 6/89 totaled $6,987m
22. 1/10/91 Pg 11	The bank shall have reduced the assets classified substandard and doubtful to not more than $6,750,000.	Scott	Yes	As of 12/31/90 Classified assets as per the Exam of 6/89 totaled $6,602m
23. 4/10/91 Pg 11	The bank shall have reduced the assets classified substandard and doubtful to not more than $6,000,000.	Scott	Yes	As per the FDIC Exam of 12-6-92 th adversely classified assets, scheduled in the June 1989 report, were reduced to $5,908m.